

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Dominion Retail, Inc.

Application for Certificate of Service :
Authority under Section 19-110 : Docket No.
of the Public Utilities Act :

APPLICATION

At Docket No. 02-0362, Dominion Retail, Inc. (“Applicant”), applied for and received from the Illinois Commerce Commission (“Commission”) a certificate of service authority to serve residential natural gas customers pursuant to Section 19-110 of the Public Utilities Act (“Act”). Applicant hereby respectfully requests that the Commission grant the expansion of Applicant’s certificate of service authority to permit Applicant to provide service to small commercial customers in addition to residential customers. In support of its application, Applicant states as follows:

General

1. Applicant’s name and street address:

Applicant does business in Illinois under the name “Dominion Retail”. Applicant no longer does business in Illinois under the assumed name of “Peoples Energy Services”.

Headquarters address:

Dominion Retail, Inc.
120 Tredegar Street
Richmond, VA 23219

Mailing address:

**Dominion Retail, Inc.
1201 Pitt Street
Pittsburgh, PA 15221**

2. Related Information:
- a. Type of business entity: corporation
 - b. Jurisdiction in which and under whose laws business entity was created:
Delaware
 - c. Other names under which Applicant does business (d/b/a):
Ohio — Dominion East Ohio Energy
Pennsylvania — Dominion Peoples Plus
 - d. Federal Employer Identification Number: 23-2889029
 - e. Registered Agent in Illinois:

C T Corporation System
208 S. La Salle Street
Chicago, IL 60604
3. Does Applicant currently have other authority from the Commission to be an AGS?
YES.
4. Contact Persons for the following:
- a. issues related to processing this application
 - b. issues related to retail customers, including complaint resolution
 - c. technical issues
- a. Gary A. Jeffries
Senior Counsel
Dominion Retail, Inc.
1201 Pitt Street
Pittsburgh, PA 15221
(412) 473-4129
(412) 473-4170
gjeffries@dom.com
- b and c.
- Thomas J. Butler
Director, Mass Market Programs
1201 Pitt Street
Pittsburgh, PA 15221
(412) 473-4165
(412) 473-4170 – fax
thomas_j.butler@dom.com

5. Applicant certifies that it will:
 - a. Comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interstate natural gas system.
 - b. Provide service to residential and small commercial customers that are eligible to take service from an AGS.
 - c. Comply with informational and reporting requirements that the Commission may by rule establish.
 - d. Comply with all other applicable laws and regulations and Commission rules and orders.
6. Applicant agrees to submit good faith schedules of natural gas deliveries in accordance with applicable tariffs.
7. In addition to Illinois, where Applicant was certificated in 2002 to serve residential natural gas customers, Applicant is also licensed as a competitive natural gas supplier in the states of Ohio and Pennsylvania, where it has been active since 1997. In Illinois, Applicant currently serves a total of approximately 130,000 natural gas customers on the Peoples Gas Light & Coke Company, North Shore Gas Company and Nicor Gas Company systems. In Ohio and Pennsylvania, Applicant currently serves a combined total of approximately 335,000 natural gas customers. In Ohio, Applicant is active on the East Ohio Gas Company and Columbia Gas of Ohio utility systems. In Pennsylvania, the company is active on the Peoples Natural Gas Company, Equitable Gas Company, and Columbia Gas of Pennsylvania utility systems. Applicant is also a licensed natural gas supplier in the states of Virginia, Maryland and New Jersey although it is not currently active in those states.
8. Applicant seeks authority to serve offer retail gas supply service to small commercial customers located in the Peoples Gas Light & Coke Company, North Shore Gas Company and Nicor Gas Company systems.
9. In addition to residential customers for which Applicant is already certificated to offer retail gas supply, Applicant also proposes to serve small commercial rate class customers.
10. Applicant has already provided notification of its intent to serve and is in fact serving customers located on the Peoples Gas/North Shore Gas utility system and the Nicor utility system. Copies of those notifications are found at Attachments A-1 and A-2.
11. Applicant certifies compliance with all applicable terms and conditions required by Section 19-115 of the Act.
12. Applicant agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for service transmitted to

utilities are retained for a period of not less than two calendar years after the calendar year in which they were created.

13. Applicant agrees to adopt and follow rules and procedures to preserve the confidentiality of its customers' data.
14. Applicant does not seek to serve customers within a geographic area that is smaller than a gas utility's service area.
15. Applicant certifies that all marketing materials that make statements concerning prices, terms and conditions of service contain information that adequately disclose the price, terms and conditions of the products or services that the Applicant is offering or selling to the customers.
16. Applicant certifies that, prior to switching any customer from another supplier, the Applicant will provide the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer.
17. Applicant certifies that it will provide the customer with itemized billing statements that describe the products and services provided to the customer and their prices and an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer.
18. Applicant's required license or permit bond in the amount of \$150,000, payable to The People of the State of Illinois, has previously been submitted in hard copy form to the Commission Clerk. A copy of the bond is attached hereto as Attachment B.
19. Required materials or certifications supporting Applicant's financial qualifications pursuant to Subsection 551.80(c) (including website references) are provided in Attachment D. By cover of letter to the Commission Clerk dated April 23, 2003, a copy of which is attached hereto as Attachment C, Applicant is filing a motion requesting confidential treatment of certain of the information filed by Applicant pursuant to this section.
20. Applicant will not use natural gas transmission or distribution facilities that it owns, controls or operates in serving customers. Required materials supporting Applicant's technical and managerial qualifications are provided in Attachment E. An organization chart can also be found at Attachment E.

WHEREFORE, Applicant requests that the Commission grant its application for service

authority to serve residential natural gas customers throughout the State of Illinois as herein described.

Respectfully submitted,

DOMINION RETAIL, INC.

By: _____
Gary A. Jeffries
Senior Counsel
Dominion Retail, Inc.
1201 Pitt Street
Pittsburgh, PA 15221
(412) 473-4129
(412) 473-4170 - fax
gjeffries@dom.com

ATTACHMENT A-1

Notice to Peoples Energy

Dominion Retail, Inc.
625 Liberty Avenue, Pittsburgh, PA 15222-3159



February 25, 2002

Jeannette Trinidad
Peoples Energy
130 East Randolph Drive, 22nd Floor
Chicago, Illinois 60601

Dear Ms. Trinidad:

This letter is to request that **Dominion Retail, Inc.** be recognized as an approved marketer for the purpose of nominating gas into your system.

US Tax ID#: 23-288-9029

Contacts: Thomas Butler 412-316-7034 412-316-7500 Fax
Margaret Ghannam
Nominations 412-316-7103 412-316-7230 Fax

Weekends & Evenings 412-736-2985 pghannam@yahoo.com

If you have any further questions, please contact me at anytime.

Sincerely,


Thomas Butler
Director Marketing

ATTACHMENT A-2

Notice to Nicor

Dominion Retail, Inc.
625 Liberty Avenue, Suite 700, Pittsburgh, PA 15222-3199



January 24, 2002

Mary Lou Grzenia
NICOR Gas
1844 Ferry Road
Naperville, IL 60563-9600

Dear Ms. Grzenia:

Enclosed is Dominion Retail's enrollment fee of \$2,000 for NICOR Gas' *Customer Select* Program. Any questions please contact me at (412) 316-7034 or Donna Grandinetti at (412) 316-7021.

Sincerely,


Thomas Butler
Director Mass Market Program

ATTACHMENT B

License or Permit Bond

(original on file with Commission Chief Clerk; copy submitted with hard copy of Application)

ATTACHMENT C



Gary A. Jeffries

Senior Counsel

Dominion Retail, Inc.

1201 Pitt Street
Pittsburgh, PA 15221
Phone: 412-316-7029/412-473-4129
E-Mail: gjeffries@dom.com

April 23, 2003

By Overnight Mail

Chief Clerk

Illinois Commerce Commission

527 East Capitol Avenue

Springfield, IL 62701

**Re: APPLICATION OF DOMINION RETAIL, INC. FOR A CERTIFICATE OF
SERVICE AUTHORITY TO SERVE SMALL COMMERCIAL CUSTOMERS –
MOTION FOR CONFIDENTIAL AND PROPRIETARY TREATMENT OF
CERTAIN FINANCIAL INFORMATION**

Dear Sir or Madam:

Dominion Retail, Inc. ("Applicant") has this date filed via the Illinois Commerce Commission's ("Commission") *e-docket* system its application for a certificate of service authority to serve small commercial customers. Please note that Applicant previously received a certificate of service authority from the Commission to serve residential natural gas customers in Illinois (Docket No. 02-0362).

As noted in the application, pursuant to Section 551.60 of 83 Ill. Adm. Code 551, Applicant hereby files this motion seeking confidential and proprietary treatment of certain financial information ("Confidential Information") it is submitting in support of its application at Attachment D of the application. Specifically, the Confidential Information consists of the following:

1. Addendum 1 hereto is excerpted financial data contained in the May 1, 2002 Securities & Exchange Commission Form U5S filing of Applicant's ultimate corporate parent, Dominion Resources, Inc. The Confidential Information, labeled as pages 25 through 36, and marked as "CONFIDENTIAL Treatment Requested by Dominion" is attached

hereto. Those pages were filed confidentially with the SEC by Dominion Resources, Inc. Applicant requests the same treatment in connection with its application. Accordingly, Applicant respectfully requests that the Commission enter an order protecting the confidential and proprietary nature of the Confidential Information.

2. Addendum 2 hereto is a document prepared by Applicant which sets forth that number which is 5% of Applicant's revenue for the most recently completed fiscal year.

Should you have any questions about this matter, please do not hesitate to contact me.

Very truly yours,

/S/

Gary A. Jeffries
Senior Counsel

Enclosures

ATTACHMENT D

FINANCIAL QUALIFICATIONS

Pursuant to §551.80, Applicant submits this information regarding its financial qualifications for certification.

Applicant is a wholly-owned subsidiary of the Consolidated Natural Gas Company (“Consolidated”) which is in turn a wholly-owned subsidiary of Dominion Resources, Inc. (“DRI”). As noted at page 33 of DRI’s 2002 Form 10-K filing with the Securities & Exchange Commission (attached hereto in .pdf format), Consolidated and DRI have the following credit ratings:

	<u>Consolidated</u>	<u>DRI</u>
Commercial Paper		
Standard & Poor’s	A-2	A-2
Moody’s	P-2	P-2
Senior Unsecured Debt		
Standard & Poor’s	BBB+	BBB+
Moody’s	A3	B _{aa1}



"Dominion 2002 Form
10K.pdf"

Also attached hereto for the Commission’s information is a .pdf copy of DRI’s 2002 Annual Report to shareholders.



domannual.pdf

In addition, Applicant participates in the DRI corporate “Money Pool”, whereby Applicant has access to intra-corporate financing as necessary that is equal to or more than 5% of Applicant’s revenue for most recently completed fiscal year. Pursuant to §551.60, Applicant moves the Commission to enter an order to protect the confidential and proprietary nature of the said revenue information. Applicant has marked that information as “Confidential” and is filing it separately under seal with an explanatory letter to the Chief Clerk of the Commission (refer to Attachment C hereof). An unexecuted copy (otherwise identical to the original) of the DRI Money Pool Agreement is appended hereto as Exhibit D (a). Also appended hereto as Exhibit D (b) is a copy of the SEC order authorizing the establishment of the DRI Money Pool. The DRI

Money Pool agreement is valid for a period of not less than one year. Applicant may if necessary utilize the Money Pool Agreement to obtain required financing with respect to all customers it serves in Illinois as well as in other states.

In further support of its application, Applicant submits by way of website link the May 2002 annual SEC Form U5S filing by DRI for the year ending December 31, 2001. The U5S contains the most recently available financial information pertaining to Applicant. The 2002 U5S has not yet been filed. The website reference for this filing is:

U5S: http://www.edgar-online.com/bin/edgardoc/finSys_main.asp?dcn=0000715957-02-000052

Please note that the “consolidating income statement” contained in the U5S that pertains to Applicant’s immediate parent corporation, Consolidated, and its subsidiaries, including Applicant, was filed confidentially with the SEC and is not available on the public website. Likewise, Applicant seeks to obtain confidential treatment of the income statement as part of this Application. Thus, pursuant to §551.60, and together with the information described in the foregoing paragraph, Applicant moves the Commission to enter an order to protect the confidential and proprietary nature of the income statement. Applicant has marked the income statement (identified by page numbers 25 through 36) as “Confidential” and is filing it separately together with the information described in the foregoing paragraph under seal with an explanatory letter to the Chief Clerk of the Commission (refer to Attachment B).

In further support of its application, Applicant calls attention to the fact that, in addition to its certificate of service authority as an AGS to serve residential natural gas customers in Illinois, it has also previously been deemed financially fit for licensure as a competitive energy supplier by the public utility commissions of the following states:

Gas and Electricity

Ohio
Pennsylvania
Maryland
Virginia
New Jersey

Electricity

Massachusetts
Connecticut
Maine
Rhode Island
District of Columbia

Applicant submits that it is financially fit to qualify for expanded AGS service authority to serve small commercial customers in Illinois.

Exhibit D (a)

DOMINION RESOURCES, INC.
AND PARTICIPATING SUBSIDIARIES

AGREEMENT REGARDING THE
OPERATION OF, AND PARTICIPATION IN,

THE DOMINION SYSTEM MONEY POOL

WHEREAS, Dominion Resources, Inc. ("DRI") has provided and/or arranged for the short-term financing needs of itself and its subsidiary companies ("DRI System" or "System") from time to time;

WHEREAS, the Securities and Exchange Commission ("Commission"), in its order dated December __, 2002, Release No. 35-_____, has authorized DRI to arrange for, and coordinate, the short-term cash borrowing needs and investment of excess short-term cash reserves of itself and certain of its subsidiary companies on an intercompany pooled basis through the DRI System Money Pool ("DRI Money Pool");

WHEREAS, Consolidated Natural Gas Company ("CNG"), a registered holding company subsidiary of DRI, may be a lender to, but not a borrower from, the DRI Money Pool, and

WHEREAS, the DRI Money Pool will be administered by Dominion Resources Services, Inc. ("DRI Services");

NOW, THEREFORE, DRI, each of the undersigned DRI subsidiaries, CNG and DRI Services, have signed this Agreement to set forth the terms of the operation of the DRI Money Pool, and the participation therein of DRI and CNG (as lenders to the DRI Money Pool), the administration thereof by DRI Services, and the participation therein of each of the undersigned DRI subsidiaries other than CNG (as lenders to and/or borrowers from the DRI Money Pool, each a "Participant") and those subsidiaries that shall subsequently become Participants therein by signing this Agreement or an amendment hereto.

ARTICLE I GENERAL

1. Only subsidiaries of DRI, except CNG, can be Participants in the DRI Money Pool.
2. DRI Services hereby undertakes to operate the DRI Money Pool on behalf of the Participants. DRI Services undertakes to maintain a list of each Participant in the DRI Money Pool. Exhibit A is a list of the Participants as of the date of this Agreement.
3. This Agreement shall be subject to the provisions of the Public Utility Holding Company Act of 1935, as it may be amended from time to time (the "Act"), any Rules promulgated under the Act, and any Orders issued from time to time by the Commission under the Act.
4. Upon payment of all outstanding loans from or deposits of Surplus Cash to the DRI Money Pool, accrued interest, and its allocable share of fees to DRI Services, any Participant may terminate its participation in the DRI Money Pool pursuant to this Agreement at any time.
5. All references herein to a public utility company mean a "public-utility company" as defined in Section 2(a)(5) of the Act.
6. Funds in the DRI Money Pool will be held in two separate accounts - one for public utility company Participants ("Account A") and another for the Participants which are not public utility companies ("Account B"). Account A funds will not be loaned to non-public utility company Participants. A list of the Account A and Account B Participants is attached as Exhibit A.
7. This Agreement sets forth the procedures regarding the operation of the DRI Money Pool and the methods for each Participant to receive loans from the DRI Money Pool or to deposit excess cash reserves ("Surplus Cash") in the Money Pool under Account A and Account B for use by the Participants.

ARTICLE II BORROWINGS, DEPOSITS

1. Subject to any individual maximum borrowing limit that may be imposed by DRI, in its sole discretion, from time-to-time, and further subject to any limits that may be imposed on a consolidated System basis and have an effect on an individual Participant's borrowing limit, and further subject to any Orders issued from time to time by the Commission under the Act, each Participant shall be entitled, on request, to borrow from the DRI Money Pool various amounts in \$1,000 increments ("Loans"), and for such period as determined by the Participant.
2. Loans from the DRI Money Pool shall be made in the form of open account advances. Open account advances are repayable not more than one year from the date of the first advance.
3. Loans are payable on demand, may be prepaid without premium or penalty, and bear interest, payable monthly.
4. All Loans by a Participant from the DRI Money Pool shall be evidenced by book entries.
5. If any Participant has Surplus Cash in excess of its immediate needs, it may deposit such Surplus Cash in the DRI Money Pool under the appropriate Account A or Account B. DRI Services, as agent for the Participants, shall pool such Surplus Cash with all other funds available when determining the amount that must be borrowed from DRI or CNG from day to day.
6. Any Participant may withdraw funds contributed to the DRI Money Pool at any time.
7. All deposits of cash in the DRI Money Pool by DRI, CNG or deposits of Surplus Cash by a Participant shall be evidenced by book entries in the appropriate Account A and Account B and within the appropriate individual record for each Participant.
8. Each Participant agrees to keep DRI Services advised of its borrowing needs and/or Surplus Cash position. DRI Services shall utilize such information to determine the net borrowing needs or Surplus Cash position of the consolidated DRI System and coordinate borrowings from DRI or CNG to meet the net borrowing needs or arrange for the investment of Surplus Cash on behalf of the Participants.

ARTICLE III
DETERMINATION OF BORROWING RATES

1. DRI Services will calculate, on a daily basis, the interest rate ("Daily Rate") applicable to all Loans by Participants from the DRI Money Pool.
2. The Daily Rate on Loans from the DRI Money Pool shall equal the effective weighted average rate of interest on DRI's outstanding commercial paper and/or revolving credit borrowings. If no such DRI borrowings are outstanding on the date of any outstanding Loan, then the interest rate shall be the Federal Funds' effective rate of interest as quoted daily by the Federal Reserve Bank of New York. The rate to be used for weekends and holidays will be the rate on the prior business day.
3. The Daily Rate shall be applied to the aggregate principal amount of any Loan of a Participant that remains outstanding at the end of any day.

ARTICLE IV
DETERMINATION OF DEPOSIT RATES

1. Subject to paragraph 3 below, all deposits of cash in the DRI Money Pool by DRI and CNG or deposits of Surplus Cash deposited in the DRI Money Pool by a Participant, shall earn interest at the Daily Rate as calculated by DRI Services pursuant to Article III.
2. The Daily Rate shall be applied to the aggregate principal amount of any deposit of Surplus Cash that remains in the DRI Money Pool at the end of any day.
3. If, at any time, there is more Surplus Cash deposited by Participants in the DRI Money Pool than is needed by other Participants (such increment of Surplus Cash to be referred to as "Excess Surplus Cash"), DRI Services, as Agent for the Participants that deposited such Excess Surplus Cash, shall invest such Excess Surplus Cash in instruments which are authorized temporary cash investments under the Investment Policy of DRI as set forth in Exhibit B hereto. All interest accrued on such investments shall be allocable to the Participants that deposited such Excess Surplus Cash in the DRI Money Pool.

ARTICLE V
RECORD OF CURRENT ACCOUNTS

1. DRI Services shall maintain a current daily accounting of all Loans from, or deposits of Surplus Cash in, the DRI Money Pool by each Account A Participant and each Account B Participant. Such accounting shall be maintained in electronic format and shall indicate the Daily Rate in effect from time to time.
2. Upon request, DRI Services shall provide any Participant copies of such current accounting.

ARTICLE VI
INTEREST PAYMENTS

1. All accrued and unpaid interest on all Loans from the DRI Money Pool shall be payable monthly by each Participant until the principal amount of the Loan has been fully repaid.
2. Accrued interest on all deposits in the DRI Money Pool by DRI, CNG or a Participant shall be disbursed to the appropriate party on a monthly basis. DRI Services shall be entitled to apply any such interest payable against any outstanding interest receivable that may be due for Loans that may have been outstanding by a Participant at other times during that month.

ARTICLE VII
AVAILABILITY OF FUNDS TO PARTICIPANTS

1. Based on the individual funding requirements communicated by each Participant to DRI Services from time to time, DRI Services shall endeavor to arrange borrowings from DRI so that the funding requirements of each Participant may be fully satisfied.
2. DRI and CNG may not borrow any funds from the DRI Money Pool. DRI and CNG, however, shall have the right to withdraw funds it has deposited in the

DRI Money Pool to the extent such funds are no longer needed to cover the borrowing needs of subsidiary Participants.

3. In providing funds to DRI Money Pool Participants, DRI and CNG will give preference to the needs of Account A Participants.

ARTICLE VIII REPAYMENT OF LOANS

1. All Loans are payable upon demand by DRI Services.
2. Each Participant shall have the right at any time to fully repay to the Money Pool any outstanding Loan.

ARTICLE IX TERM, GOVERNING LAW

1. Subject to any Participant's individual right to terminate participation under this Agreement as set out in Article I, 5, this Agreement shall remain in effect until such date as may be approved by DRI, DRI Services and each Participant.
2. Notwithstanding the termination of participation in the DRI Money Pool by any Participant, this Agreement shall remain in effect with respect to all other Participants.
3. This Agreement may be amended or superseded at any time, by a written instrument signed by DRI, CNG, DRI Services and each Participant.
4. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of December __ , 2002.

DOMINION RESOURCES, INC.

By:_____

Its:_____

CONSOLIDATED NATURAL GAS COMPANY

By:_____

Its:_____

DOMINION RESOURCES SERVICES, INC.

By:_____

Its:_____

(PARTICIPANTS)

By:_____

Its:_____

Exhibit D (b)

Release No. 35-27634

Public Utility Holding Company Act of 1935

DOMINION RESOURCES INC., ET AL.
ORDER AUTHORIZING MONEY POOL

70-9967

January 3, 2003

Dominion Resources, Inc. ("DRI"), a registered holding company; Consolidated Natural Gas Company ("CNG"), a registered holding company subsidiary of DRI, both located in Richmond, VA (collectively, "Registered Holding Companies"), and the following public utility subsidiary companies of DRI: Hope Gas, Inc., Clarksburg, WV; The Peoples Natural Gas Company, Pittsburgh, PA; and The East Ohio Gas Company, Cleveland, OH (collectively, "Account A Participants"); ¹and the following nonutility subsidiary companies of DRI: Dominion Energy, Inc.; Elwood Energy LLC; Dominion Reserves, Inc.; Dominion Ohio ES, Inc.; Dominion Resources Services, Inc. ("DRI Services") Dominion Alliance Holding, Inc.; DT Services, Inc.; Dominion Metering Services, Inc.; CNG International Corporation; Dominion Greenbrier, Inc.; Dominion Natural Gas Storage, Inc. all located in Richmond, VA; Elwood II Holdings, LLC; Elwood III Holdings, LLC, both located in Elwood, IL; Kincaid Generation, LLC, Kincaid; IL; CNG Power Services Corporation; Dominion Products and Services, Inc.; Dominion Retail, Inc., all located in Pittsburgh, PA; Dominion Exploration &

¹ The Account A Participants are the public utility subsidiary companies of DRI as defined in section 2(a)(5) of the Act, other than Virginia Electric Power Company.

Production, Inc.; CNG Pipeline Company; CNG Main Pass Gas Gathering Corporation; CNG Oil Gathering Corporation; Dominion Oklahoma Texas Exploration & Production, Inc., all located in Houston, TX; Dominion Transmission, Inc.; Dominion Iroquois, Inc.; Dominion Field Services, Inc., all located in Clarksburg, WV (collectively, "Account B Participants"); (Account A Participants and Account B Participants collectively, "Subsidiaries") have filed an application- declaration under sections 6(a), 7, 9, 10, 12(b), and 12(f) of the Public Utility Holding Company Act of 1935, as amended, and rules 43, 45, and 54 under the Act ("Application") with the Securities and Exchange Commission ("Commission"). The Commission issued a notice of the proposed transactions on May 10, 2002 (HCAR No. 27528).

I. Prior Authority

By orders dated June 12 and July 16, 1986 (HCAR Nos. 24128 and 24150), as amended by orders dated May 27, 1987 (HCAR No. 24399), February 14, 1990 (HCAR No. 25040), May 13, 1991 (HCAR No. 25311), April 8, 1994 (HCAR No. 26021), and July 18, 1997 (HCAR No. 26742), the Commission permitted the application-declaration of CNG and its subsidiaries to become effective, thereby authorizing the establishment of the CNG money pool ("CNG Money Pool"). By order dated December 15, 1999 (HCAR No. 27112), CNG was authorized to maintain the CNG Money Pool through January 28, 2003. Consolidated Natural Gas Service Company, Inc. ("CNG Services") until January 1, 2001 both administered and participated in the CNG Money Pool. The CNG Money Pool, subsequent to the merger of CNG Services into DRI Services on January 1, 2001, is now administered by DRI Services.

After satisfaction of the borrowing needs of the CNG subsidiary companies authorized to participate in the CNG Money Pool, DRI Services, as agent for the pool, invests excess funds and allocates the earnings among those participant companies providing such excess funds.

DRI, CNG, and the Subsidiaries seek authority to form and operate through December 31, 2005 a DRI money pool ("DRI Money Pool").² The Subsidiaries consist of DRI subsidiaries, which are not subsidiaries of CNG, and DRI subsidiaries which are subsidiaries of CNG which are currently participants in the CNG Money Pool.³ The Registered Holding Companies will not borrow from the DRI Money Pool, but will be the ultimate providers of funds to the DRI Money Pool as needed. Additional subsidiaries of DRI may become participants in the DRI Money Pool as either Account A Participants or Account B Participants.⁴

The purpose of the DRI Money Pool will be to provide the Subsidiaries with internal and external funds and to invest surplus funds of DRI and the Subsidiaries in short-term money market instruments. The DRI Money Pool will offer the Subsidiaries lower short-term borrowing costs due to the elimination of banking fees, a mechanism to earn a higher return on interest from surplus funds that are loaned to other Subsidiaries, and decreased reliance on external funding sources.

Participants will invest their surplus funds in the DRI Money Pool, and the Subsidiaries will borrow funds from the DRI Money Pool, provided that, (A) with respect to each of the CNG utility companies (The East Ohio Gas Company, Hope Gas, Inc., and The Peoples

² See The National Grid Group plc, HCAR No. 27154 (March 15, 2000); National Fuel Gas Company, HCAR No. 26847 (March 20, 1998); Conectiv, Inc., HCAR No. 26833 (February 26, 1998); and NiSource, Inc. et al., HCAR No. 27479 (December 19, 2001).

³The CNG Money Pool will be terminated after issuance of an order approving the DRI Money Pool by the Commission.

⁴ DRI requests that the Commission reserve jurisdiction over the addition of any new company.

Natural Gas Company) outstanding borrowings from the DRI Money Pool shall not exceed \$750 million at any one time. Money Pool borrowings by the Subsidiaries are generally exempt transactions under rule 52 promulgated under the Act.⁵ DRI and/or CNG will obtain the funds to invest in the DRI Money Pool: (A) from internally generated funds; (B) through the authorizations the Commission granted by order dated December 15, 1999 (HCAR No. 27112) and May 24, 2001 (HCAR No. 27406); and/or (C) any other current financing authorization or exemptions that may be available to DRI or CNG. DRI Services will administer the DRI Money Pool on an "at cost" basis. In providing funds to DRI Money Pool participants, DRI and CNG will give preference to the needs of the public utility subsidiary company participants. DRI will report any default under any external loan agreement within ten (10) days of the occurrence of a default within a filing with the Commission under this filing, S.E.C. File No. 70-9967. The filing will describe how the default under the loan agreement will affect representation of a preference to the needs of the public utility subsidiary company participants.

Funds in the DRI Money Pool will be held in two separate accounts: Account A for public utility subsidiary company participants and Account B for the participants, which are not public utility subsidiary company participants.⁶ Account A funds will not be loaned to non-public utility subsidiary company participants (Account B Participants). Account B funds may be loaned to public utility subsidiary company participants (Account A Participants) provided that the interest charged is not greater than the cost of borrowing such funds to DRI

⁵ Transactions by The East Ohio Gas Company with the DRI Money Pool would not be covered by rule 52 under the Act, since the Public Utilities Commission of Ohio has no jurisdiction over financing transactions involving borrowings, which can be repaid in less than a year.

⁶ A list of the participants under Account A and Account B is filed in S.E.C. File No. 70-9967 as Exhibit A-1.

or CNG as applicable.

For each of Account A Participants and Account B Participants, respectively, DRI Services will maintain a record reflecting such individual participant's daily balance. The record will indicate the amount of the participant's lending, investment or borrowing balance, as the case may be, as well as the participant's share of interest and investment income and interest owned, if any.

The daily interest rate on loans from the DRI Money Pool and on all deposits of cash in the money pool will equal the effective weighted average rate of interest on DRI's outstanding commercial paper and/or revolving credit borrowings. If no DRI borrowings are outstanding on the date of any outstanding loan, then the interest rate will be the Federal Funds' effective rate of interest as quoted daily by the Federal Reserve Bank of New York. The rate to be used for weekends and holidays will be the rate on the prior business day.

Each participant receiving a loan through the DRI Money Pool will be required to repay the principal amount of the loan, together with all interest accrued thereon, on demand. Interest on outstanding loans would be paid to the DRI Money Pool monthly. All loans made through the DRI Money Pool can be repaid by the borrower without premium or penalty.

Funds not required by the DRI Money Pool to make loans to participants or to repay borrowings incurred to provide funds to participants would ordinarily be invested in one or more short-term investments including: (A) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities; (B) commercial paper; (C) certificates of deposits; (D) bankers' acceptances; (E) repurchase agreements; (F) tax exempt notes; and (G) other investments that are permitted by section 9(c)(3) of the Act and rule 40. The interest income and investment income earned on loans and investments of surplus funds would be

allocated among the participants in the DRI Money Pool in accordance with the proportion each participant's contribution of funds bears to the total amount of funds in the DRI Money Pool.

All terms and conditions governing the operations of, and the participation by DRI, CNG and the Subsidiaries in, the DRI Money Pool will be contained in a written agreement.⁷

DRI states that it meets all of the conditions of rule 53(a), except for rule 53(a)(1), and none of the adverse conditions specified in Rule 53(b) exist. At September 30, 2002, DRI's aggregate investment, as defined in rule 53(a)(1), in exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOs") was approximately \$2,967.4 million (of which \$2,959.1 million was in EWGs). This amount exceeds the 50% "safe harbor" limitation contained in the rule. DRI's "average consolidated retained earnings" as of September 30, 2002 were \$1,102.3 million. However, DRI has by Commission order dated December 28, 2001 (HCAR No.27485) ("Rule 53 (c) Order"), authority to make investments in EWGs and FUCOs up to its "average consolidated retained earnings" plus \$4.5 billion.

Since the date of the Rule 53(c) Order, the capitalization and level of earnings attributable to DRI's investment in EWGs and FUCOs has not had an adverse impact on DRI's financial integrity. DRI's EWG and FUCO contributions to revenues and net earnings from the date of the Rule 53(c) Order to September 30, 2002 were \$555.1 million and \$78.7 million, respectively. As of the date of the Rule 53 (c) Order, DRI's consolidated capitalization consists of 33.4% common equity, 6.4% preferred securities, 60.2% debt (including current maturities of short- and long-term debt and preferred stock). DRI maintains that the proposed transaction will not have any material impact on capitalization. As of September 30, 2002, the consolidated capitalization ratios for DRI with consolidated debt including all short-term debt

⁷ The DRI Money Pool Agreement is filed in S.E.C. File No. 70-9967, Exhibit A-2.

and non-recourse debt of its EWGs and FUCOs were as follows: common shareholder's equity, 34.8%; preferred stock, 5.9%, long-term and short-term debt, 59.3%.

In addition, DRI is in compliance and will continue to comply with the other provisions of rule 53(a) and (b).

Fees and expenses expected to be incurred, directly or indirectly, in connection with seeking the authorizations are estimated to be \$30,000. The Pennsylvania Public Utility Commission in the case of The Peoples Natural Gas Company, and The West Virginia Public Service Commission in the case of Hope Gas, Inc., each has approved those respective companies' participation in the DRI Money Pool. No other state or federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Due notice of the filing of the Application has been given in the manner prescribed in rule 23 under the Act, and no hearing has been requested of or ordered by the Commission. On the basis of the facts in the record, it is found that, except as to those matters over which jurisdiction has been reserved, the applicable standards of the Act and rules under the Act are satisfied, and that no adverse findings are necessary.

IT IS ORDERED under the applicable provisions of the Act and the rules under the Act that, except as to those matters over which jurisdiction has been reserved, the Application is granted and permitted to become effective immediately, subject to the terms and conditions prescribed in rule 24 under the Act to be filed on a calendar quarterly basis as part of the quarterly rule 24 filings in this file and together with S.E.C. File Nos. 70-9517, 70-9555, and 70-9679, and will include the following information with respect to DRI Money Pool transactions:

- a. The maximum outstanding amount of all borrowings under or investments in the DRI

Money Pool by each Account A and each Account B participant during the quarter and the rate or range of rates charged on DRI Money Pool borrowings and paid on DRI Money Pool investments during the quarter.

b. The maximum outstanding amount of all borrowings under the DRI Money Pool by each Account A Participant from Account B Participants during the quarter and the rate or range of rates charged on such borrowings.

IT IS FURTHER ORDERED, that jurisdiction be reserved over the addition of subsidiaries to the DRI Money Pool.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland

Deputy Secretary

EXHIBIT A
to DRI Money Pool
Agreement

DOMINION SYSTEM
MONEY POOL

Participants as of December __, 2002:

ACCOUNT A PARTICIPANTS

The East Ohio Gas Company

Hope Gas, Inc.

The Peoples Natural Gas Company

ACCOUNT B PARTICIPANTS

Dominion Energy, Inc.

Elwood Energy, LLC

Dominion Reserves, Inc.

Dominion Ohio ES, Inc.

Dominion Resources Services, Inc.

Dominion Alliance Holding, Inc.

Elwood II Holdings, LLC

Elwood III Holdings, LLC

Kincaid Generation, LLC

DT Services, Inc.

Dominion Metering Services, Inc.

Dominion Energy Technologies, Inc.

CNG International Corporation

Dominion Iroquois, Inc.

CNG Pipeline Company

CNG Power Services Corporation

Dominion Exploration & Production, Inc.

Dominion Products and Services, Inc.

Dominion Retail, Inc.

Dominion Field Services, Inc.

Dominion Transmission, Inc.

CNG Main Pass Gas Gathering Corporation

CNG Oil Gathering Corporation

Dominion Oklahoma Texas Exploration & Production, Inc.

Dominion Greenbrier, Inc.

Dominion Natural Gas Storage, Inc.

Dominion Technical Solutions, Inc.

ATTACHMENT E

Technical and Managerial Qualifications

Applicant has operated as a competitive natural gas supplier since 1997 in the states of Ohio and Pennsylvania and since 2002 as a provider of competitive natural gas service to residential customers in Illinois. Since commencing operations, Applicant has gained considerable experience and expertise in the competitive retail supply business. Each of Applicant's personnel—including managerial staff—who will be engaged in providing service to Illinois small commercial customers have in excess of four years natural gas experience in the marketing and operational areas and in excess of two years working with GISB rules and practices. Applicant's managerial staff has been engaged in enterprise financial and administrative responsibilities for over four years and possess in excess of four years of natural gas sales experience. Information on selected management personnel follows:

Richard Zelenko, General Manager, Dominion Retail, Inc.

Mr. Zelenko has 25 years total experience in the natural gas business, including the following positions:

- GM, Dominion Retail: in excess of one year
- GM, LDC Gas Supply: 4 1/2 years
- Director, Gas Supply Acquisition, Dominion East Ohio: 3 years
- Director, Telecommunications, Dominion East Ohio: 1 year
- Manager, Marketing & Gas Supply, Dominion West Ohio: 4 years
- Manager, Operations, Dominion West Ohio: 5 years
- Various management, operations & engineering positions, Dominion East Ohio: 6 years.

Mr. Zelenko has extensive experience in the marketing, operational and gas sales areas, including in excess of two years working with GISB rules and practices, and enterprise financial and administrative responsibilities for well in excess of four years.

Thomas J. Butler, Director, Business Development, Dominion Retail, Inc.

Mr. Butler has over 15 years total experience in the natural gas business, including the following positions:

- Director, Business Development, Dominion Retail: 1 year
- Director, Marketing, Dominion Retail: 2 years
- Manager, Customer Acquisition, Dominion Retail: 3 years
- Manager, Marketing, Dominion Retail: 2 years
- Director, Industrial Sales, Dominion Peoples: 3 years
- Manager, Residential Marketing, Dominion Peoples: 2 years
- Manager, Electric Utility Sales, Dominion Peoples, 2 years
- Assistant to Vice President, Marketing, Dominion Peoples: 1 year

Prior to joining Dominion in 1988, Mr. Butler worked as an engineer and turn supervisor for LTV Steel Corporation. Mr. Butler possesses broad and extensive experience in the marketing, operations and gas sales areas, including GISB, by virtue of his 14 years of service in both the regulated and unregulated sides of the business. He also has had direct accountability for enterprise financial and administrative performance for more than 4 years.

Mark C. Reese, Director, Retail Gas Operations

Jan 02 – present: Director, Retail Gas Operations, Dominion Retail, Inc.

Aug 01 – Dec 01: Manager, Natural Gas Product Management, Enron Energy Services

Nov 99 – Jul 01: Manager, Global National Outsource Commodity Structuring, Enron Energy Services

Jul 1997 – Mar 98: Project Manager, Business Development, Sonat Marketing, L.P.

Mr. Reese has extensive experience in excess of four years working with operations, GISBs and other financial and administrative aspects of the natural gas business.

R. Michael Rose, Director Finance and Marketing

1/02 - present - Director - Finance and Marketing, Dominion Retail. Responsible for Finance, Accounting and Market Operations.

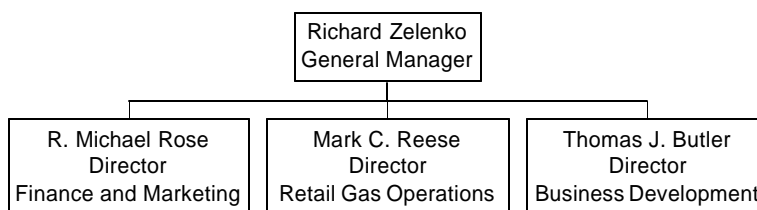
1/00 - 12/01 - Director - Finance and Business Services, Dominion Energy. Responsible for budgeting, planning and financial analysis.

1/99 - 12/99 - Director - Finance and Business Services, Nuclear. Responsible for budgeting, planning, financial reporting and financial analysis.

1/96 - 12/98 - Director - Finance and Business Services, Virginia Power Corporate. Responsible for budgeting, planning and financial analysis.

Mr. Rose has in excess of four years of extensive experience in the enterprise financial and administrative functions of the energy business.

ORGANIZATION CHART



COMMONWEALTH OF PENNSYLVANIA)
) SS.
COUNTY OF ALLEGHENY)

VERIFICATION

I, Gary A. Jeffries, being first duly sworn, state that I am Senior Counsel and Assistant Secretary for Dominion Retail, Inc., that I have read the foregoing document, that I am knowledgeable of the facts stated therein, and that the same are true and correct to the best of my knowledge and belief.

Gary A. Jeffries

Subscribed and Sworn to
Before me this __ day of
April, 2003.

Notary Public

My Commission Expires: